

Drug Intelligence Brief



DRUG ENFORCEMENT ADMINISTRATION
INTELLIGENCE DIVISION

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EL SALVADOR—COUNTRY PROFILE

DEA Office Responsible	San Salvador, El Salvador Country Office
Population	5,870,481 in July 1995
Area	21,041 square kilometers (8,124 square miles)
Capital	San Salvador
Type of Government	Constitutional Republic

Salvadoran Top Government Officials

President	Francisco Flores
Vice President	Carlos Quintanilla Schmidt
Interior Minister	Mario Acosta Oertel
Minister of National Defense	General Juan Antonio Martinez Varela



HISTORICAL COMMENT

El Salvador's two main political forces currently are the right-wing Alianza Republicana Nacionalista (ARENA) and the leftist *Farabundo Martí Liberación Nacional Front* (FMLN), which was legalized as a political party when a lengthy civil war ended during the early 1990s. When El Salvador's most conservative political groups reorganized into a single political party in the early 1980s, ARENA was formed. After losing El Salvador's first presidential election against moderate Jose Napoleon Duarte in 1984, ARENA became the dominant political party in El Salvador in the late 1980s, after the Duarte Administration failed to improve conditions in the country. El Salvador's third ARENA president, Francisco Flores, was elected in May 1999 to succeed his ARENA predecessor, Dr. Armando Calderon Sol. ARENA retained the Salvadoran presidency during the 1999 election not due to the popularity of the incumbent administration, but because of voter apathy towards the FMLN and the FMLN's failure to choose a strong presidential candidate.

DRUG SEIZURES IN EL SALVADOR 1996 - 2000

	1996	1997	1998	1999	2000
Cocaine (kilograms)	100	232	52	28	422
Marijuana (kilograms)	675	947	262	925	451
Cannabis Plants	NA	3,776	7,338	4,691	19,627
Heroin (kilograms)	0.50	0.02	0.7	1.0	6.0
Crack (kilograms)	0.18	.055	3.14	12.3	7.2
Drug Arrests	915	724	746	993	3,182

Source: DEA San Salvador, El Salvador Country Office

El Salvador did not experience real peace when its civil war officially ended. After the soldiers and guerrilla fighters were demobilized, El Salvador's crime rate rose dramatically, to the point where street crime became a major concern for the civilian population. Street gang activity in urban areas increased during the late 1990s, in some cases, brought in to the country by youths returning from the United States organizing street gangs similar to *Latino* gangs in large U.S. cities. From the late 1990s, incidences of kidnaping for ransom have increased dramatically. Because the kidnaping victims were well known, the cases received a great deal of media attention, which put pressure on the police to deal with this threat.

El Salvador's overpopulation problem worsened between 1980 and 2000. El Salvador is the smallest country in Central America (about the size of the state of Connecticut), but it has the third largest population in the region. El Salvador's population increased throughout the 1980s and 1990s, but the civil war and the growing crime problem hindered economic development that could have provided employment. Economic development was further hindered by the damage caused by Hurricane Mitch in 1998. While the media coverage of the storm's impact in El Salvador did not compare to coverage of damage in Honduras, crop and infrastructure losses in eastern El Salvador were extensive and resulted in higher local unemployment. In January and February 2001, El Salvador was subjected to two catastrophic earthquakes that left over 1,000 dead and over one billion (USD) in damages, which is approximately one-sixth of the El Salvador's gross national product.

OVERVIEW

El Salvador is a transit country, primarily for cocaine transported from source areas in South America to points north. El Salvador is strategically located on the Pacific coast of Central America along the Pan-American Highway and connects Guatemala to Honduras and Nicaragua. Drug traffickers smuggle cocaine and heroin from South America through El Salvador to markets in North America and Europe. Traffickers primarily use the Pan-American Highway to smuggle cocaine overland from Panama through El Salvador to Guatemala, and Mexico. Drug traffickers also use Salvadoran territory for air drops and maritime transportation. Drug seizure statistics, which traditionally have been low in El Salvador when compared to the rest of Central America, do not reflect the amount of cocaine that actually transits the country. Coca and opium poppies are not grown in El Salvador. Cannabis, cultivated in isolated areas along the Honduran border, is mainly consumed locally.

Colombian drug traffickers control most of the cocaine shipped through El Salvador. In the past, Salvadoran nationals worked as middlemen in the drug trade but, in many cases, Colombians have replaced them in overseeing the transshipment and smuggling operations into and through El Salvador.

Controlled pharmaceutical products, such as legally imported ephedrine, are diverted from El Salvador to clandestine methamphetamine laboratories in Mexico and Colombia. In 1997, the National Civilian Police developed a chemical control unit, which is assigned to the Anti-Narcotics Division (DAN).

CULTIVATION AND PRODUCTION

There is no cultivation of coca or opium poppies in El Salvador. Cannabis plants are cultivated in El Salvador on small plots along the northern border with Honduras. The amount of cannabis cultivated in El Salvador traditionally has been dismissed as insignificant, but Salvadoran police seized record amounts during two major eradication operations during 2000. The first operation in early April resulted in the seizure of 15,427 plants; the second operation in late August resulted in the seizure of 4,200 plants. In comparison, the National Civil Police (PNC) air wing destroyed 4,691 plants in 1999 and 7,338 plants in 1998.

Marijuana in El Salvador is produced primarily for local consumption, and has a relatively low THC content ranging between 1 and 2 percent. In addition, higher quality marijuana from Guatemala is smuggled into El Salvador to meet local demand.

CHEMICALS

Sulfuric acid is the only regulated chemical used to process cocaine that is produced in El Salvador.

In 1997, the PNC established a chemical control unit that is assigned to the DAN. The DAN and the Health Ministry operate the chemical control program in El Salvador, and the DAN works jointly with the Attorney General to implement and enforce regulations for chemical control.

DRUG TRAFFICKING TRENDS

The majority of the cocaine and heroin transiting El Salvador is controlled by Colombia-based drug groups that are supported by Salvadorans and Colombians living in El Salvador. Trafficking organizations have the capability to transport multihundred-kilogram amounts of cocaine overland or via coastal waters to Guatemala and Mexico for further transshipment to U.S. and European markets.

Trafficking organizations often base their operations in secluded *haciendas* (farms) in the remote Salvadoran countryside and in small villages. Large quantities of cocaine can be stored at these locations temporarily and then hidden in cargo shipments and tractor-trailer trucks for shipment northward.

Cocaine seizure totals in El Salvador are much smaller than seizure totals in neighboring countries, such as Guatemala. However, two seizures during 2000 indicated that large amounts of cocaine are transiting El Salvador's airspace. The first seizure was from an airplane that landed at San Salvador's Comalapa International Airport, and the other seizure was from a Velocity aircraft that crossed El Salvador before crash-landing in Guatemala. These two seizures raised the total amount of cocaine seized in El Salvador to 422 kilograms, a significant increase over the 1999 figure.

A significant portion of the cocaine and heroin transiting El Salvador is transported overland from Panama via the Pan-American Highway. These overland shipments range from a few kilograms hidden in cars to multihundred-kilogram amounts hidden in secret compartments in cargo contain-

ers carried by tractor-trailers. The cocaine is smuggled primarily to Guatemala and Mexico for onward shipment to the United States. Colombian heroin is smuggled directly from El Salvador to the United States by couriers aboard commercial airlines. Couriers swallow pellets of heroin, tape

kilograms of heroin to the body underneath clothing, and hide heroin in carry-on luggage.



Maritime drug smuggling in El Salvador poses a growing threat to the region. Trafficking organizations use the Salvadoran seaports of Acajutla and La Unión to take advantage of the large volume of legitimate commercial traffic entering and exiting the country at those ports. The Port of Acajutla, located only 35 kilometers from the Guatemalan border and connected by a highway system to three crossing points into Guatemala, is particularly vulnerable as a drug trafficking center. The Salvadoran Government plans to develop a regional deep-water containerized cargo port at Cutuco, on the southern Pacific coast. Construction is scheduled to begin in 2001 and, when finished, the port is expected to be comparable with the other regional deep-water ports on the Pacific coast.

Trafficking organizations use both commercial maritime vessels and speedboats to smuggle cocaine from El Salvador to the west coast of Mexico. Drug traffickers using containerized cargo conceal cocaine either in heavy, bulky commodities or highly perishable items, such as seafood. While cargo containers are the preferred method for smuggling large quantities of cocaine into and through El Salvador, traffickers also smuggle cocaine within the ship itself. Using go-fast boats, traffickers transport shipments from both mother ships and from air drops into the ocean to El Salvador's mainland.

The Gulf of Fonseca, which is shared by El Salvador, Honduras, and Nicaragua, has been a traditional smuggling route for many years and, during the 1980s, played a vital role for arms smuggling between El Salvador and Nicaragua. Maritime smuggling during the 1990s shifted from weapons to drugs. Law enforcement efforts to interdict cocaine shipments transiting the Gulf of Fonseca are hampered by the lack of coordinated patrols by the three nations sharing the gulf and the total lack of nighttime patrolling. Also hampering efforts to detect cocaine shipments are the numerous small boats (fishing boats, small cargo boats, *cayucas*, and pleasure craft) in the area from all three countries, which allow drug traffickers to "hide in plain sight" as they cross the gulf.

According to DEA reporting, during the first half of 1999, traffickers relied increasingly on go-fast boats due to the extensive damage along Honduran and Nicaraguan sections of the Pan-American Highway that resulted from Hurricane Mitch in late 1998. The DEA expected the increase in go-fast boat trafficking in the eastern Pacific to subside after the highway was completely repaired; however, in 1999, go-fast boat operations in the eastern Pacific incorporated the increased use of mother ships and seagoing fishing vessels into their operations. During 2000, drug trafficking organizations continued to use the eastern Pacific for go-fast boat and mother ship operations as a preferred cocaine smuggling route.

Small single-engine and twin-engine aircraft transport multihundred-kilogram loads of cocaine to clandestine airstrips on the coast of El Salvador. Planes fly along the Pacific corridor approach from Colombia and land on unmonitored airstrips located on El Salvador's Pacific coast near the Pan-American Highway, especially rural areas in the eastern Departments of La Union and San Miguel. The majority of these flights occur at night in order to avoid detection. Sightings of aircraft making air drops at night to small boats off the southern coast of El Salvador near La Libertad have been reported.

During 2000, there were two significant seizures from small aircraft that had violated El Salvador's airspace en route to landing sites in Guatemala:

- On March 20, 2000, a Mexican-registered fiberglass Velocity XL-300 crash-landed near Escuintla, Guatemala, after being pursued over Salvadoran airspace by two Salvadoran fighter jets. The Velocity's pilots escaped after landing, but left behind 214 kilograms of cocaine, which was seized by the Guatemalan police. This seizure was significant because the aircraft was detected by radar, which had been recently installed at the Comalapa International Airport, and because Salvadoran and Guatemalan authorities cooperated in intercepting the aircraft. The Mexican registration of the aircraft indicated the direct involvement of Mexican drug trafficking organizations in transporting cocaine through Central America. The incident also provided direct evidence concerning the use of fiberglass aircraft by Mexican drug trafficking groups to transport illegal drugs.
- The Salvadoran DAN seized a Guatemalan-registered twin-engine airplane on June 12, 2000, which had been forced to land at San Salvador's Comalapa International Airport due to lack of fuel needed to complete its planned flight to Guatemala. The DAN recovered 356 kilograms of cocaine and 4 kilograms of heroin hidden in boxes of dishes inside the aircraft and arrested the two pilots. This flight was tracked from Panama to El Salvador by the Comalapa radar, and the drug seizure confirmed reporting that Colombian trafficking organizations are transporting small amounts of heroin with large cocaine shipments.

Couriers smuggle small quantities of cocaine and heroin through El Salvador on commercial aircraft. Well-organized trafficking groups are increasingly using couriers, or "mules," to move small quantities of heroin and cocaine through airports, especially San Salvador's Comalapa International Airport. The "mules" either carry drugs hidden in luggage or ingest capsules containing heroin or cocaine. The DAN arrested a Guatemalan courier who had planned to transport a kilogram of heroin in capsules to New York City, in July 2000.

Riverine transportation of drug shipments is not a major threat in El Salvador, because the only two major rivers in El Salvador flow to the south and do not cross any borders that would make them attractive as smuggling routes.

Distribution of “crack” cocaine within El Salvador is handled by several Salvadoran gangs dealing in illegal drugs in urban areas. Local Salvadoran gangs were loosely organized in the past, but recently have become more sophisticated and more violent as gang members operating in El Salvador have copied the operations of gangs in the United States. Many Salvadoran gang members have ties with gang members in the United States, particularly California. As Salvadoran gang members in the United States have been deported as undesirable aliens, a high level of criminal sophistication is transferred to Salvadoran society and is manifested through acts of crime and delinquency.

PRICES

During 2000, the price of a kilogram of cocaine in El Salvador ranged from US\$5,000 to US\$7,000. A single gram of cocaine sold for about US\$15. Purity levels for cocaine HCl range from 82 percent to 93 percent. Crack, which appeared in large quantities for the first time in 1998, sold for US\$3.00 per rock in 2000.

A pound of marijuana sold for US\$80, and an ounce of marijuana sold for US\$2.50 in 2000.

DRUG ABUSE

Illegal drugs continue to be readily available to the citizens of El Salvador. Consumers can obtain cocaine and marijuana easily throughout the country. One result of the increase of cocaine trafficking, gang activity, and poverty throughout Central America has been the increased use of crack cocaine among urban youth. San Salvador, in particular, has a serious crack cocaine problem, and crack sellers operate with impunity in front of schools. The increased use of crack in San Salvador has added to a general high crime rate, making the nation’s capital one of the most dangerous cities in Latin America.

MONEY LAUNDERING

The extent of the money laundering problem in El Salvador is unclear, but the threat will likely increase with the conversion of its monetary system from *colones* to U.S. dollars which began December 2000. Money laundering occurs in both the banking and the nonbanking financial systems, with estimates ranging in the millions of dollars. El Salvador’s proximity to Colombia and its close economic and social ties between the United States and the Central American community are attractive features for money laundering activities. Salvadoran and Colombian drug traffickers use local courier services as one method to transfer dollars to and from the United States.

Casinos in San Salvador and in provincial capitals multiplied during 1999. However public resentment led local municipal governments to close several casinos during 2000, an action upheld in the Salvadoran court system. Some of the casinos were relatively small operations that concentrated on slot machines and other types of wagers, operating with little regulation from the government, and provided opportunities to launder moderate amounts of cash.

Implementation of antimoney laundering legislation, passed in 1998, progressed during 1999, when the Salvadoran Government established a Financial Investigation Unit (FIU).

COUNTERDRUG ENFORCEMENT

The DAN has primary responsibility for drug interdiction and eradication operations. It is comprised of approximately 210 agents and is headquartered in San Salvador. The DAN maintains offices at San Salvador, Santa Ana, San Miguel, and the Port of Acajutla, with posts of duty at the border crossings of Las Chinamas and El Amatillo.

The DAN celebrated its seventh anniversary in March 2000; however, with the exception of manpower, the DAN does not have the resources needed to pursue major interdiction operations. The DAN currently does not have the capability to do in-depth, intense, high-level investigations, partly because of its highly centralized structure, in which large numbers of subordinates support a few lead investigators. The DAN also is hampered by a lack of money, equipment, training, and vehicles. While there is improvement in the DAN overall, the agency continues to struggle with building itself into an effective investigative unit. Many investigations still are dismissed for lack of evidence or illegally obtained evidence.

Furthermore, Salvadoran Government efforts to interdict drug trafficking were hampered during 1999 and 2000 by the April 1998 implementation of broad reforms to the criminal justice system. The reforms led to confusion concerning the legal and operational relationship among law enforcement officers, prosecutors, and judges. Although the DAN and the *Fiscalia* (prosecutors) are beginning to cooperate in conducting more sophisticated undercover investigations, the conspiracy law is ambiguous and unenforced, and there are no legal provisions for court authorized electronic surveillance.

While the Salvadoran Army has no responsibilities for actions regarding drug law enforcement, the army has assisted the PNC in ground patrols in rural areas in attempts to curb criminal activity in these remote areas, and the Salvadoran Government has created a joint police/military response group with a command center for responding primarily to the threat of air and sea smuggling. The PNC must initiate requests for military assistance, and any PNC request must be cleared and approved by the highest levels of government.

LEGISLATION, TREATIES, CONVENTIONS

The Salvadoran Legislative Assembly followed up its ratification of the Central American Convention Against Money Laundering by taking preliminary steps to pass anti-money laundering legislation on December 2, 1998, known as the "Law Against Laundering of Money and Assets." The United States provided technical and material assistance to the PNC to establish a FIU during the law's 6-month implementation phase. The FIU officially opened its new facilities on December 1, 2000, to enforce the provisions of the 1998 law and personnel involved in prosecuting money laundering cases received training during 2000. The new law requires all financial institutions, all currency exchange institutions, real estate firms, local shipping companies, construction companies, and hotels to report to the FIU any irregularities in deposits and any transaction greater than US\$57,000. The FIU has prepared draft regulations which would lower the reporting threshold to US\$20,000. The FIU will have unlimited access to bank deposit and money transaction records for all of El Salvador's financial institutions for the past 5 years.

The Salvadoran FIU is expected to participate in Egmont Group training during January 2001 and to become a full Egmont Group member by mid-year.

As a result of improved United States-El Salvador cooperation through the 1998 law and the FIU, several persons were arrested during 2000 on charges of money-laundering/counterfeiting in a case that Salvadoran authorities believe is related to drug trafficking. At the end of 2000, the FIU expected to bring three additional money laundering cases to court during 2001.

In July 2000, the Salvadoran Government approved a constitutional amendment that allows the extradition of Salvadoran citizens. Negotiations to implement a modern extradition treaty between the United States and El Salvador should begin in mid-2001.

The Joint Information Coordinating Center (JICC) is a long-term cooperative effort between the U.S. Government and the DAN. The U.S. Government has sponsored several training events, provided investigative equipment, and periodically assists the DAN by obtaining instructors and sponsoring training events.

CONCLUSIONS/PROJECTIONS

El Salvador will continue its status as a transit country for cocaine and heroin destined for international markets, primarily the United States and Europe. Trafficking organizations will continue to smuggle controlled chemicals and solvents needed for cocaine HCl production via El Salvador. Traffickers will continue to use the Pan-American Highway, as well as El Salvador's poorly monitored ports and airports to move cocaine shipments. Drug trafficking via small aircraft carrying cocaine and heroin from points south, will continue to violate Salvadoran airspace, although air smuggling will be less important than overland and maritime trafficking.

Colombian and Mexican smuggling organizations will continue to expand, consolidate, and solidify their operations throughout El Salvador. Colombian and Mexican traffickers increasingly will use El Salvador for investments in property and businesses in addition to passing drug proceeds through Salvadoran banking and financial systems, despite the passage of money laundering legislation in 1998. The "dollarization" of the economy will increase this threat.

El Salvador's high unemployment and institutionalized violence make the country vulnerable to drug trafficking organizations and other criminal groups. El Salvador continues to experience a high level of violent criminal activity directed against property and persons. Some of this criminal activity is directly related to organized gang enterprises which have ties to the United States. The increasing consumption and availability of drugs in El Salvador also will have a long-term impact on crime.